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BEFORE THE OFFICE OF THE INSURANCE COMMISSIONER OF THE STATE OF WASHINGTON

In the Matter of the Application regarding the Conversion and Acquisition of Control of Premera Blue Cross and its Affilitiates.

No. G 02-45

AFFIDAVIT OF AARON KATZ REGARDING PRE-FILED DIRECT TESTIMONY

I, Aaron Katz, declare:

- This affidavit is made in compliance with the Twenty-Fifth Order of the Insurance Commissioner of the State of Washington, which requires parties to the above-captioned proceeding to submit pre-filed direct testimony on March 31, 2004.
- 2. I have been retained as a consultant by the Premera Watch Coalition Intervenors ("the Intervenors") in the above-captioned proceeding.
- 3. Attached hereto as Exhibit A is a true and correct copy of my *Curriculum Vitae*. It is current, except that I stepped down on December 1, 2003 as Director of the Health Policy

AFFIDAVIT OF AARON KATZ REGARDING PRE-FILED DIRECT TESTIMONY -1

Columbia Legal Services 101 Yesler Way, Suite 300 Seattle, WA 98104 (206) 464-5933

Analysis Program for the Department of Health Services at the School of Public Health and Community Medicine (University of Washington).

4. I expect to provide expert testimony at the hearing in this matter on behalf of the Intervenors. The issues and subjects on which I will provide testimony are contained in the following sources, which are incorporated herein by reference: (1) the November 10, 2003 "Premera Conversion Study, Report 1" and "Premera Conversion Study, Report 2" that were prepared by the Health Policy Analysis Program at the School of Public Health and Community Medicine (University of Washington); (2) the March 3, 2004 Supplemental Report of Aaron Katz; and (3) my deposition testimony in this matter. Pursuant to the January 12, 2004 Order of the Special Master, I expect my testimony at the hearing to include the presentation and explanation of the information and opinions contained in these listed sources.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

/S/

AARON KATZ